INTERIM STUDY COMMITTEE ON HEALTH AND SOCIAL SERVICE ISSUES

Legislative Services Agency
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MEETING MINUTES[1]

Meeting Date:	**September 15, 1999**
Meeting Time:	**10:30 A.M.**
Meeting Place:	**State House, 200 W. Washington St., Room 404**
Meeting City:	**Indianapolis, Indiana**
Meeting Number:	**2**

Members Present: **Rep. Charlie Brown, Chairperson; Rep. Susan Crosby; Rep. Gary Dillon; Rep. David Frizzell; Sen. Patricia Miller, Vice-Chairperson; Sen. Steve Johnson; Sen. Connie Lawson; Sen. Allie Craycraft; Sen. Katie Wolf.**

Members Absent: **Rep. Vern Tincher; Rep. Vaneta Becker; Sen. Vi Simpson.**

The Chairman called the meeting to order at 10:40 a.m. and received testimony from interested parties on the topic of access to prescription drugs in state funded programs.

Julie Newland, Manager of Public Affairs, Eli Lilly and Company

Ms. Newland's comments on access to pharmaceuticals included the following information:

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[1] Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of $0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is http://www.ai.org/legislative/. No fee is charged for viewing, downloading, or printing minutes from the Internet.

- Citizens of Indiana have access to prescription drugs through a variety of state programs (including state hospitals for the mentally ill and developmentally disabled, state employee health plans, Medicaid, and state prisons).
- The average cost to research and bring a new drug product to market is over $500 million. Eli Lilly invests over $2 billion per year in research and development.
- Out-patient pharmaceuticals are only 8¢ of each health care dollar. These drugs are also more cost effective then other therapies (such as surgery or hospitalization).
- Some of the characteristics of a good drug program or formulary include: it is developed and updated by practicing clinical experts; it is not solely cost based; it allows speedy access to medically necessary non-formulary drugs; it limits the bureaucratic prior authorization process; and it is not designed to have a patient fail on a less effective drug before a newer drug can be prescribed.

Ms Newland concluded with the following recommendations:

- State agencies should review their drug programs within the framework of their health policy objectives to ensure that the principles of a good drug program are adhered to.
- State agencies should examine their drug programs to ensure that the drug budgets are structured within the total context of their health care costs and that any restrictions in the drug program are measured properly for other health care costs that occur later.

Committee members discussed problems associated with being removed from an effective drug and the importance of giving patients information they need to help manage their own care.

Ginny Fearin, Parent

Ms. Fearin's 27 year old son, Brad, was diagnosed with paranoid schizophrenia four years ago. He was placed on the drug Prolyxin which worked well. However, his drug dosage was lowered until he was taken off the medication. Three months later, Brad had a relapse. He was put back on Prolyxin at a double dose but the drug was no longer effective for him. Other drugs were tried solely and in combination but Brad continued to hear strong voices and was afraid to leave the house. After years of trial and error a combination of Clozaril and Seroquel has proven effective. He has not had to be hospitalized since being placed on these drugs. The cost of this drug combination is $1,100 per month. Brad has gone back to college and would like to work but Medicaid rules practically prohibit him from working. Ms. Fearin believes that the decision concerning what drug a person takes should be with the physician and patient and not someone who is not dealing directly with the patient (i.e. an insurance company or Medicaid). She concluded by stating that mental health drugs should be treated no differently than cancer or diabetes drugs.

Fran Young, Parent

Ms. Young has a son, Rusty, who is 32 years old. He was born with multiple handicaps (e.g. autism; hyperactive). Rusty lived at home until he was 10 ½ years old. He went to New Castle State Hospital then to the Ft. Wayne Developmental Center. Different medications have been tried but Rusty would continue to bite, act frustrated, and not speak. Ms. Young wanted a medication that would help her son. The physician at the Fort Wayne Developmental Center wanted to try Clozaril but Ms. Young did not want this tried because the side effects could aggravate Rusty's proneness to seizures. After researching

and consulting with others, Ms. Young suggested that the drug Xyprexa be tried. The physician at Fort Wayne refused to prescribe this medication even after representatives of Eli Lilly offered to supply the drug. Later the same physician placed Rusty on Xyprexa without informing the family of this decision. Since being placed on this pharmaceutical Rusty's condition has improved dramatically. However, she is concerned because she saw a note in Rusty's file to reduce the dosage being given to Rusty. She questions who will benefit from the medication dosage being reduced.

Jim Zieba, Indiana State Medical Association

Mr. Zieba's comments regarding the state's drug programs included the following points:

- The state's drug programs work with the most vulnerable populations (e.g. the poor; children, and mentally ill persons).
- Physicians are the persons who work directly with the patient and know what is best for that patient. These medical decisions do not need to be second guessed by others.
- Some mental health drugs do not work again after a patient has been taken off the medication.

Kathy Gifford, Director, Office of Medicaid Policy and Planning

Ms. Gifford distributed a handout entitled "Drug Utilization Review Board Briefing: Indiana Medicaid and Hoosier Healthwise Program Overview" (Exhibit 1). The handout included information on the following:

- A brief overview of the Medicaid and Hoosier Healthwise programs.
- A summary of managed care and fee for service health delivery systems and pharmacy services in Hoosier Healthwise.
- Trends in Medicaid expenditures (e.g. drug expenditures).

Ms. Gifford added the following information:

- About 35% of the patients in Hoosier Healthwise are in managed care programs. This is the only part of the program that uses drug formularies. Legislation last year directed the Drug Utilization Review Board to review the formularies used by Hoosier Healthwise managed care formularies.
- All drugs (except Viagra) are available to patients under the Patient Protection Act. Specific drugs are placed on a preferred drug list, and this list is constantly revised.

Theodore A. Petti, M.D., M.P.H., Indianapolis

Dr. Petti distributed a letter (Exhibit 2) to Committee members concerning access to mental health drugs in state funded programs. His letter requested that physicians be given flexibility to prescribe the regime of medications that the patients need.

The Committee asked that the Department of Correction present information on its use of drug formularies at the Committee's next meeting. The chairman adjourned the meeting.